

BIRCHCLIFF ENERGY LTD. ANNOUNCES DECLARATION OF FIRST COMMON SHARE QUARTERLY DIVIDEND AND PREFERRED SHARE DIVIDENDS

Calgary, Alberta – Birchcliff Energy Ltd. (“Birchcliff”) (TSX: BIR) is pleased to announce that its board of directors has declared a quarterly cash dividend of \$0.025 per common share for the calendar quarter ending March 31, 2017 on Birchcliff’s outstanding common shares. The dividend is payable on March 31, 2017 to shareholders of record at the close of business on March 15, 2017.

This is the first quarterly dividend that has been declared on Birchcliff’s common shares. In November 2016, Birchcliff’s board of directors approved a quarterly dividend policy for its common shares. This policy established that until changed by Birchcliff’s board of directors, cash dividends will be paid in respect of the common shares at the end of each calendar quarter on the last day of March, June, September and December in each year (or if such date is not a business day, on the next business day).

In addition, Birchcliff’s board of directors has declared a quarterly cash dividend of \$0.50 per share on Birchcliff’s outstanding Cumulative Redeemable Preferred Shares, Series A and a quarterly cash dividend of \$0.4375 per share on Birchcliff’s outstanding Cumulative Redeemable Preferred Shares, Series C for the calendar quarter ending March 31, 2017. The preferred share dividends are payable on March 31, 2017 to shareholders of record at the close of business on March 15, 2017.

All of the dividends have been designated as eligible dividends for the purposes of the *Income Tax Act* (Canada).

Advisories

The declaration and payment of dividends in any quarter is subject to the discretion of Birchcliff’s board of directors and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, the financial condition of Birchcliff, production levels, results of operations, capital expenditure requirements, working capital requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, contractual restrictions, Birchcliff’s hedging activities or programs, available investment opportunities, any credit ratings applicable to Birchcliff or its securities, Birchcliff’s business plan, strategies and objectives, the satisfaction of the solvency and liquidity tests imposed by the *Business Corporations Act* (Alberta) (the “ABCA”) for the declaration and payment of dividends and other factors that Birchcliff’s board of directors may deem relevant. Depending on these and various other factors, many of which are beyond the control of Birchcliff, the dividend policy of Birchcliff may vary from time to time and, as a result, future cash dividends could be reduced or suspended entirely. Pursuant to the ABCA, Birchcliff may not declare or pay a dividend if there are reasonable grounds for believing that: (i) Birchcliff is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of its outstanding shares. Additionally, pursuant to the agreement governing Birchcliff’s existing credit facilities, Birchcliff is not permitted to make any distribution (which includes dividends) at any time when an event of default exists or would reasonably be expected to exist upon making such distribution, unless such event of default arose subsequent to the ordinary course declaration of the applicable distribution.

About Birchcliff:

Birchcliff is a Calgary, Alberta based intermediate oil and gas company with operations concentrated within its one core area, the Peace River Arch of Alberta. Birchcliff’s Common Shares and Cumulative Redeemable Preferred Shares, Series A and Series C are listed for trading on the Toronto Stock Exchange under the symbols “BIR”, “BIR.PR.A” and “BIR.PR.C”, respectively.

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